



# Rethinking the RFP process & KT Analysis

For on-demand environmental services

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# Typical RFP process for non-project specific services

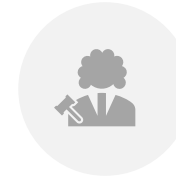
For regular ARO work

1. Approach SMS to initiate RFP
2. Environment department sets scope of a hypothetical project
3. RFP sent out to numerous consultants
4. Consultants do a tremendous amount of work
  - Tweaked rates, value added, pitched everything, wrote sample report
5. SMS do KT analysis on the services/rates
6. Environment reviewed the bid package and the KT results
7. Decision to award based mostly on cost portion of bid, but not consistently

# Why rework the RFP process?



minimize amount of work required to prep a submission



give a fair overall evaluation of bidding companies



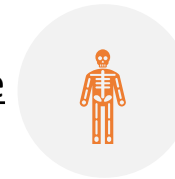
get the information you will use to select qualified companies



satisfy corporate supply management requirements for service orders



Experience shows lowest rates are not always the best value



However... this is not how RFP decisions are made

# Before you declare your RFP

Week 1 - Day 1 (D-minus 10 weeks)

## Get organized

### 1. First meeting of RFP selection team

- who are the decision makers
- what is the scope?
  - Project specific, general environmental services?
- Define:
  - needs (strategic to weight the KT)
  - wants (operational)
  - limits (constraints)

### 2. Work with Supply Management

- discuss intent

### 3. Selecting companies of interest

- stakeholders have their input

Go for  
coffee –  
set up the  
expectations

## Week 1 - 2

### Set up face-to-face meetings

#### 1. Statement of qualifications

- Who will be working on our projects. Not just PM, SR's.
- What are their basic qualifications

#### 2. How the RFP process will work

- Send samples of final reports your company has actually produced for a client – redact as necessary.
  - Phase 1, Phase 2, Phase 3/RAP, Risk Assessments, WWW, DSA...
- **Why?** quality of writing, regulatory interpretation, recommendations, date of assessment, subcontract it out, etc
- Send proforma invoices for those reports - See how the invoice would look, PM, Field, Reporting, additional support
- Self-assessment

#### 3. How the analysis will work

- Price, Report, Front end execution

Wait...  
shortlist first

## Week 2 - 3

### Second meeting with the RFP selection team – shortlist

- Discuss companies SoQ
- Time to shortlist before sending invitations

### Setting the scope to bid for non-project specific environmental services

- Bid package will include
  - Sample reports - P1, P2, P3, DSA, WWW
  - Rate sheet
  - Proforma invoicing
  - Self-assessment
- Additional info - value add, other services, promo (discretionary, not used in the KT analysis)

### Weighting the KT analysis

- What is a KT? (this is a slow process)
  - The **Kepner Tregoe** method (KT-method) is a problem **analysis** model in which the “problem” is disconnected from the “decision”. It is a conscious, step-by-step approach for systematically solving problems, making good decisions, and analyzing potential risks and opportunities.
  - Does not provide the perfect solution, rather the best possible unbiased choice
- **How to weight it beforehand**

# RFP Sent Via Supply Management



## **Week 3**

- Invite companies to acknowledgement they intend to participate (7 days)

## **Week 4 - 5**

- Period set aside for companies to ask follow up questions
- Period set aside for companies to submit the requested documents to SMS

# Quantify the problem

Week 5 - 8

Start RFP review process

Sorting the data

1. **Scope (quality of report, regulatory interpretation)**
  - 3-4 meetings with the team to review each report and provide quantifiable feedback
2. **Front End Execution (Local content, TRIF, Past performance)**
3. **Price per assessment**
  - Prework to stress test rates against level of effort
  - Stress test each company rate against group average
  - Populate KT analysis



# Presentation: Separate problem from decision

## Week 9

### Presenting the results

- Review each self-assessment with the team
- Review scope and quality of each report
- Review front end execution
  - TRIF
  - Survey
  - Local Content
- Review price ranking
- Based on each company, what will you have to manage them for?
  - Cost
  - Scope
  - Front end execution
  - Are you staffed to provide that level of oversight?

# REVIEW COMPANY SELF-ASSESSMENT

## APPENDIX D

COMPANY NAME		Asset Retirement Assessments							
		Assessment A	Assessment A	RAP	Site Rem Site Rec Supervision	Assessment A	Assessment A	RCA	COR
Is your company qualified to conduct this assessment?		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
<b>Competency Self-Assessment -</b> For each applicable assessment, how often your company demonstrates the described competencies in relation to each assessment (see below)		Rank 1-5	Rank 1-5	Rank 1-5	Rank 1-5	Rank 1-5	Rank 1-5	Rank 1-5	Rank 1-5
<b>1 - Not at all</b> <b>2 - Rarely (less than once/month)</b> <b>3 - Sometimes (less than once/week)</b> <b>4 - Often (about 1-2 times/week)</b> <b>5 - Very Often (almost daily)</b>	A - Safety								
	B - Technical								
	C - Project Management								
	D - Team Effectiveness								
	E - Professional Accountability								
	F - Geographic Proximity (field personnel)								
	G - Professional and Technical Resources								
	H - Agility								
<b>A - Safety</b> Safety awareness throughout the company Implement/updating safety program Tracking TRIF (Total Recordable Injury Frequency) Number of manhours worked per year Number of kilometers driven per year		<b>C - Project Management Competency</b> Employ project management principles Efficient project budget management			<b>F - Geographic proximity of field personnel to the operating area</b> Score:                      5                      5                      4                      3                      2 Location 1                      Location 2                      Location 3                      Location 4                      Location 5				
<b>B - Technical Competency</b> Interpreting Regulations, Codes & Standards Project & Assessment Constraints Risk Identification & Mitigation Solution Techniques Documentation Quality Control		<b>D - Team Effectiveness Competency</b> Able to work on/with multi-disciplinary teams Able to resolve differences Good Oral Communication (ie landowner, regulator) Written Communication			<b>G - Professional and Technical Resources</b> Experience of team lead Bench Strength (Number of team members per discipline) Experience of field team members conducting assessments				
		<b>E - Professional Accountability</b> Qualified Professionals                      Per BC OGC regulations Provincial Associations                      P. Eng, P. Ag. P. Biol, RFP, etc			<b>H - Agility</b> Able to deploy to the field immediately (with minimal orientation) Able to provide additional field teams if primary team is unavailable				

# Review Reports before Costs check

RFP EVALUATION		Scope E												
		RATING	SCORE											
ASSESSMENT CRITERIA														
SCOPE OF WORK - Assessment review	30.0%		out of 20		Copy edit		Quality of writing		Overall formatting		Use of tables/illustrations		Relevance to ECA activities	
Quality (plus or minus: 5 = 5%)	15.0%	12.0	18	Assessment 1	Good	1	Good	1	Good	1	Good	1	Good	1
		90%		Assessment 2	Good	1	Fair/Good	0.5	Good	1	Good	1	Good	1
				Assessment 3	Good	1	Good	1	Fair/Good	0.5	Good	1	Good	1
				Assessment 4	Good	1	Good	1	See p3	0	Good	1	Good	1
Regulatory interpretation	15.0%	7.2	9.5		Reg interp.		Use of current regs		Align with company		Practicality of recommendation		Overall gut check	
		48%		Assessment 1	Good	1	Good	1	Good	1	Good	1	Good	1
				Assessment 2	Good	1	Good	1	Good	1	Good	1	Fair/Good	.5
				Assessment 3	Good	1	No	-1	Good	1	Fair/Good	0.5	Good	1
			Assessment 4	Poor	-1	Used BD lab - DSA	-1	Fair	0	Good	1	Fair	.75	
	30.0%													
				# 2 was clean but the report was quite simple. Uncomfortably short										
				#3 is from 2017 - regs may have changed since then. Confirm										

# RESULTS OF FRONT-END EXECUTION SURVEY

Rate Company Performance 0-5		A	B	C	D	E	F
0 - I have no experience with this company							
1 - Poor/Never							
2 - Moderate/Sometimes							
3 - Acceptable/Most times							
4 - Good/Always							
5 - Excellent/Never a concern							
<p>Please rate the company on your opinion of their overall performance.            If you have an isolated issue or incident, put it in the comment section.            If you have no experience with the company, please rate them 0 (zero)</p>							
1	How is their <b>Field Safety</b> (PPE, Permits, Performance)	0.00	0.00	0.17	0.67	1.17	0.00
2	<b>Technical ability</b> (what is the quality of fieldwork/sound recommendations)	0.00	0.00	0.33	0.92	0.92	0.00
3	Are they able to <b>respond quickly</b> to field requests (mobilize crews)	0.00	0.00	0.33	0.50	1.25	0.00
4	Do they complete work and reporting <b>on time</b>	0.00	0.00	0.50	0.50	0.83	0.00
5	Do they complete work and reporting <b>on or under budget</b>	0.00	0.00	0.17	0.50	1.25	0.00
6	Are they good in their <b>dealings with landowners/stakeholders</b>	0.00	0.00	0.17	0.58	1.25	0.00
7	How would you rate their <b>Overall Performance</b>	0.00	0.00	0.17	0.92	1.08	0.00
		0.0	0.0	1.8	4.6	7.8	0.0



RFP EVALUATION		A		B		C		D		E		F	
ASSESSMENT CRITERIA		RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE	RATING	SCORE
Weight													
<b>PRICING</b>		40.0%											
Assessment 1 (Avg: \$2,477)	10.0%	0.98	5.10	0.99	5.05	1.02	4.90	1.02	4.60	1.00	5.00	0.99	5.05
Assessment 2 (Avg: \$9,835)	10.0%	0.96	5.20	0.90	5.50	1.12	4.40	1.13	4.35	0.97	5.15	0.92	5.40
Assessment 3 (Avg: \$11,979)	10.0%	0.95	5.25	0.89	5.55	1.11	4.45	1.15	4.25	0.97	5.15	0.93	5.35
Assessment 4 (Avg: \$2,044)	10.0%	0.94	5.30	0.92	5.40	1.07	4.65	1.10	4.50	0.99	5.05	0.98	5.10
Rating is Cost Estimate/Average Cost. Score % is 1.0 = 50% weighting. (ie 10.0% total cost: Rating 1.0 = 5.0%) CREDIT: Rating < 1.0 pt. DEDUCT: Rating > 1.0 pt.	40.0%		20.85%		21.50%		18.40%		17.70%		20.35%		20.90%
		3		1		5		6		4		2	
<b>SCOPE OF WORK</b>		30.0%											
Quality	15.0%	0.85	6.38	0.95	7.13	1.00	7.50	1.00	7.50	0.90	6.75	0.80	6.00
Regulatory Interpretation	15.0%	0.85	6.38	0.90	6.75	0.95	7.13	0.98	7.35	0.48	3.60	0.70	5.25
Score % is 1.0 = 50% weighting. (ie 15.0% total cost: Rating 1.0 = 7.5%) CREDIT: Rating > 1 DEDUCT: Rating < 1 i.e 15% x 0.85 = 6.38	30.0%		12.76%		13.88%		14.63%		14.85%		10.35%		11.25%
		4		3		2		1		6		5	
<b>FRONT-END EXECUTION</b>		30.0%											
TRIF	10.0%	1	5.0%	1	5.0%	1	5.0%	1	5.0%	1	5.0%	1	5.0%
Local Content	10.0%	1	5.0%	1	5.0%	1	5.0%	0.8	4.0%	1	5.0%	1	5.0%
Past Performance and experience:	10.0%	0.00	2.5%	0.00	2.5%	1.83	5.3%	4.58	5.7%	7.75	6.1%	0.00	2.5%
	30.0%	0/35	12.50%	0/35	12.50%	1.83/35	15.25%	4.58/35	14.65%	7.75/35	16.10%	0/35	12.50%
		4		4		2		3		1		4	
<b>TOTAL</b>	100.0%		46.11%		47.88%		48.28%		47.20%		46.80%		44.65%
<b>OVERALL RANKING</b>		5		2		1		3		4		6	
<b>SCORE</b>		11		8		9		10		11		11	



# Decision to award

SMS contacts all companies with award or regrets

Sometimes feedback will be provided to companies not receiving bid award

# Look beyond the rate sheet & Love AB Energy



minimize amount of work  
required to prep a submission



give a fair overall evaluation  
of bidding companies



get information you will actually use  
to select qualified companies



Experience shows lowest rates are  
not always the best value

## The end